040 Sec of Defense

## MEMORANDUM FOR THE SECRETARY OF DEFENSE

SUBJECT: Release of MAVERICK to Iran

For the past year, the Shah has been interested in obtaining some sort of sophisticated missile for his F-4s. He first sought the SHRIKE and a study on developing an Anti-SAM capability for the IIAF was prepared by the USAF and briefed to him on 17 November 1971. As a result of the briefing, he decided not to buy SHRIKE, but indicated a high interest in MAVERICK (see Tab A). The Country Team strongly supports this request pointing out that Shah is aware of our decision to equip NATO forces with MAVERICK and refusal to release MAVERICK to GOI would undoubtedly create serious adverse reaction and injure our military relationship which is key to US-Iran relations and vital interests in Iran and Persian Gulf. The Country Team further points out that the Shah, as a result of the SHRIKE briefing, is most anxious to develop military planning rationally and in consideration of all relevant factors. Therefore our full cooperation, as in the case of the SHRIKE, not only reinforces our rapport and strengthens ties, but also permits a careful evaluation of the system and the integration of the system into the overall military development effort.

USCINCEUR strongly indorses the GOI request (see Tab B). He points out that the IIAF has the capability to absorb, maintain and employ the MAVERICK, and believes it to be in the best interest of the USG to provide GOI with the requested data on MAVERICK and thereby contribute to the capability of a most important military force which seeks to preserve the stability and protect free world interests in the important Persian Gulf oil producing area.

On 5 October 1971, you requested JCS to prepare an evaluation of the advisability of extending a US offer of both ROCK EYE and MAVERICK missiles to our allies. The Director, Defense Research and Engineering, was also requested to make an evaluation of the advisability of this action from the viewpoint of promoting the military strength of the US and its allies (see Tab C).

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On 3 November 1971, the Director of Defense Research and Engineering recommended that consideration of offering MAVERICK to our allies be deferred until further operational testing in a realistic battlefield environment had been conducted and results analyzed (see Tab D).

The JCS in answering your memorandum on 26 November 1971 stated they consider it in the best interest of the USG to offer the MAVERICK to all NATO nations which have tactical air units committed to NATO. They suggested that separate requests by other NATO nations be considered on a case-by-case basis (see Tab E).

The USAF has estimated that if the missile is offered for sale outside the US, the first 50 missiles could be delivered by January 1974; 200 missiles per month would be available by January 1975 and 1,000 missiles per month by January 1976. These quantities would be for export and are over and above present USAF requirements. (USN has indicated they are not interested in this missile at this time). Under present planning Iran would probably not be in line for initial equipping until sometime in late 1974 or early 1975. There are at least two factors which would bear on this time table. The first is the number of missiles bought by the USAF. We understand that the Air Force has ordered 9,000 missiles but the buy could go as high as 15-17,000. The second factor is the production capacity by Hughes or other contractors who could be brought into the production picture at a later date. If the policy decision to release the weapon to countries outside NATO is made soon, indications are that foreign requirements for 30-35,000 missiles could be filled by 1977.

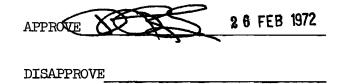
In assessing all the information available on the MAVERICK, I have concluded that the economic and political factors outweigh the disadvantage of compromise of the missile in the 3-4 year future time frame. The foreign market is estimated at 33,000 missiles or \$660 million in military sales. There is favorable advantage to US international balance of payments deficit and larger production would lower the unit cost to USAF and amortize RDT&E costs. In addition, the release of the MAVERICK would make significant contribution to the Nixon Doctrine. Moreover, in keeping with our spirit of full cooperation with Iran, it would seem that to be forthcoming this matter would go a long way in showing the Shah our real intent to provide him first-rate military equipment along with our other allies.

Notwithstanding the logic of world-wide release, there is also logic in your policy as enunciated to NATO on 9 December 1971. That policy was



aimed at determining conclusively that the MAVERICK would perform according to its specifications. However, that policy is also being construed as inhibiting any further dialogue with potential foreign customers until successful completion of these tests. The effect of this has been to deter many nations from developing an interest in purchasing the missile once the decision to release it has been made by the US. Further delay in providing information to Iran could very well result in the loss of military sales worth many millions of dollars. Another consideration is the long lead time required by a foreign government to evaluate and place the order which would dictate that the earlier the information is released the more probable we could place the missile in the field to meet the tactical requirements extant in 1975.

Therefore, the problem of immediate concern is the release of non-sensitive (confidential, promotional) data not only to NATO countries but to other selected allied nations. The Air Force and Hughes have prepared a brochure (draft attached at Tab F). It would seem appropriate that this brochure, once cleared by Air Force disclosure authorities, could be distributed to various potential customers on a case-by-case basis with the clearly stated caveat that availability of the missile for sale would depend on the final outcome of the operational testing. These data, properly caveated, would accelerate decision-making process of several interested nations if released now but would not unduly commit the USG to the sale of the missile. If you agree with this I will advise the Air Force to proceed with the release.



I believe a good case has been made for sale of this missile to Iran, and could be made for many other non-NATO countries. I, therefore, recommend that you expand your policy to approve the release of MAVERICK for sale to Iran as well as to other allied countries on a case-by-case basis. This, of course, is contingent upon the successful operational testing; no commitment on availability of the missiles would be made until USAF needs are fulfilled as well as those NATO nations with committed tactical air forces.





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If you approve this policy as recommended, then MAVERICK would be authorized for sale to NATO countries, Iran, and, within the scope of the National Disclosure Policy, to other non-NATO countries which are strategically important to US defense planning and formally allied with the US.

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